

OXE-2980
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20 January 1962

Dear Wendell,

Re: Oxcart Proposal

We have send you a proposal on two configurations for so long that I am almost ashamed to submit it, but here it is. You have already authorized us to proceed with the design and fabrication but of course, due to the lack of a proposal, have not funded us. Consequently we are in need of rapid action on funds.

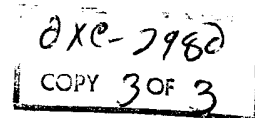
While we are quoting in accordance with your request on two configurations, there is also a rumor that the AF will be buying, thru you, five vehicles of the same type. Consequently we are also indicating the estimated cost of providing both two and five more configurations. You can see that the savings involved in a simultaneous joint procurement are appreciable. You might touch base with John P. on the desirability of exploiting this. Our estimated cost for two units is [redacted] including a fixed fee of [redacted] for four units it would be [redacted] including fixed fee of [redacted] and for seven \$ [redacted], including a fixed fee of [redacted]. This amounts to a total unit cost of [redacted] for the quantity of two [redacted] each for four, and [redacted] for seven. Looking at it another way two additional units over the basic two would cost [redacted] each, and five units over the basic two would cost [redacted] each.

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A summary sheet is attached giving estimated costs and deliveries for equipment in the quantities indicated. We are also enclosing a schedule showing estimated expenditure by quarter for budget purposes. This schedule shows total cost only and does not include fee. These costs include the design fabrication, assembly, testing and installation of CHAPS, Mod. II configuration. In our summary "Fabrication, Assembly and Testing" includes special tooling and test equipment, material, fabrication, assembly and testing. "Support" includes manuals, travel and subsistence, security guards and spare parts. These costs are necessarily based on our experience with the Mod. I configuration and reflect the following assumptions.

1. That the basic CHAPS I principles are correct.
2. That the PE V/M device is operationally adequate.

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3. That the vehicle excursions will be no worse than they are presently defined.
4. That each delivered configuration would require a one month acceptance test program at [redacted] However, no funds have been included for an "operational" team. Such effort could be better estimated after a later, more complete definition.
5. That we are able to obtain satisfactory optical performance in a "Q" bay air environment.

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One note of explanation must accompany the schedule. As you know we have been operating with as small a technical team as possible. Our plans indicate that it is essential that we augment our present staff if the schedule below is to be met. This increase would dictate an immediate transfer of 10-12 people followed by a later addition of possibly 8-10. Competent technical people are available and every effort will be made to use those with related or useful clearances. We recognize that the clearance situation is difficult, but major delays in obtaining cleared people will now produce a one-to-one delay in the delivery schedule.

One further recommendation involves the V/H device. Our laboratory tests would indicate the present equipment has the necessary accuracy, but there is still some concern about lock-on and operational conditions. The importance of this equipment would indicate that a back-up device should be explored, and for this purpose we would strongly urge a subcontract of approximately [redacted] for a prototype unit of flight test capability. These funds are not included in the totals below since they are not essential to the overall program. However, they do represent a relatively inexpensive form of insurance.

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The technical description of the equipment is inclosed as a separate document. Should any questions arise, we would be happy to have our technical people discuss them with you at your convenience.

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